

Variable Image Printing Used in Billing and Other Print-Mail Services

Sales & Use tax notice

The sale of billing services or other print-mail services in which the vendor is creating an individualized statement, preparing it for mailing, and mailing it to the client's customer is a service that is not subject to the sales tax.

Variable imaging is often used by entities providing billing services or similar print-mail services to their clients. Variable imaging is a type of printing that allows individualized information to be printed on each page or item that is printed. Charges made by such service providers for variable imaging are considered a part of the sales price for the billing or print-mail services and as such are not subject to sales tax. This tax treatment is based upon the department's determination that the paper products associated with

these activities do not change the nature of the service that the customer is purchasing. *See Nashville Mobilphone v. Woods*, 655 S.W.2d 934, 935-37 (Tenn. 1983).

While the provider of these types of services is not required to collect sales tax from its customers, it is considered the end user or consumer of the products used to fulfill its service contracts. It is therefore responsible for paying tax on the cost of those materials even if the final product ultimately will be delivered out-of-state. Tenn. Code Ann Section 67-6-209(b).

Have questions or comments? Please let us know. [Contact us.](#)

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